

// A special meeting of the Council of the City of Lynchburg, recessed from March 28, was held on the 11th day of April, 2006, at 1:00 P.M., Second Floor Training Room, City Hall, Carl B. Hutcherson, Jr., President, presiding. The purpose of the meeting was to conduct a work session regarding the FY2007 Budget. The following Members were present:

Present: Dodson, Foster, Gillette, Helgeson, Johnson, Seiffert, Hutcherson	7
Absent:	0

// City Manager Kimball Payne stated that an overview regarding the FY2006 Third Quarter Adjustments was presented to the Finance Committee and that a public hearing is scheduled for April 25.

// City Manager Payne presented FY2007 Budget Adjustments through April 10, which included Revenue/Expenditure Adjustments and Corrections and potential staff/Council adjustments to balance the FY2007 Budget. Council discussed various budget cuts as proposed by the City Manager, i.e., five additional police officers, administrative support position in the City Assessor's Office, new voting machines, and conversion of two Animal Warden positions from part-time to full time. Following discussion City Council reached consensus to approve the conversion of one Animal Warden position from part-time to full time at a cost of \$25,000.

// City Council discussed at length whether to provide additional local funding to the Schools beyond the \$775,000 proposed in the City Manager's budget proposal. Council Members Helgeson and Seiffert argued that with the additional \$7.6 million in State funding to the Schools that City Council should reduce the local funding by an additional \$1 million in order to provide a reduction in the City's real estate tax rate and the BPOL tax. Both Council Members also stated that they could not support the additional 49.5 new positions requested in the Schools budget proposal. Council Member Helgeson also explained that the reasoning behind the State providing more funding to the local School systems was an effort to take some of the pressure off of local governments via local real estate tax rate reductions. Other Council Members stated that they could not support any further reduction in the local funding to the Schools. Some Council Members expressed an interest in looking at ways to provide more local funding to the Schools in addition to the \$775,000 in the proposed budget. Discussion focused on the following proposals:

Proposal #1 – City Manager's FY2007 Budget Proposal

FY2007 Schools Request	\$32.1 million
FY2007 Local Funding	<u>\$30.5 million</u>
Reduction in Local Funds	\$ 1.6 million

FY2006 Schools Funding (Local)	\$31.3 million
FY2007 Local Funding	<u>\$30.5 million</u>
Reduction in Local Funds	\$.8 million

Proposal #2 – As proposed by Council Member Helgeson

FY2006 Schools Funding (Local)	\$31.3 million
FY2007 Reduction in Local Funds	<u>\$ 1.8 million</u>
	\$29.5 million

FY2007 Schools Request	\$32.1 million
FY2007 Local Funding	<u>\$29.5 million</u>
Reduction in Local Funds	\$ 2.6 million

Following discussion, Council Member Gillette made a motion, seconded by Mayor Hutcherson, to approve Proposal #1 to provide \$775,000 in local funding to the Schools as outlined in the proposed FY2007 Budget. Council Member Helgeson made a substitute motion, seconded by Council Member Seiffert, to approve Proposal #2 to reduce the Schools local funding by \$1.8 million, and Council by the following recorded vote defeated the substitute motion:

Ayes: Helgeson, Seiffert 2

Noes: Dodson, Foster, Gillette, Johnson, Hutcherson 5

The vote was called on the original motion, and Council by the following recorded vote defeated the original motion:

Ayes: Gillette, Hutcherson 2

Noes: Dodson, Foster, Helgeson, Johnson, Seiffert 5

Council Member Gillette made a motion, seconded by Council Member Johnson, to remove Proposal #2 from further discussion, and Council by the following recorded vote approved the motion:

Ayes: Dodson, Foster, Gillette, Johnson, Hutcherson 5

Noes: Helgeson, Seiffert 2

City Council discussed at length various proposals and agreed that further information was needed prior to reaching a final decision regarding the FY2007 Budget. City Manager Payne stated that he would provide the information requested prior to the next work session.

// City Council spent the remainder of the afternoon discussing changes to the City's guidelines for the Tax Relief for the Elderly program. Commissioner of the Revenue Mitch Nuckles provided a chart showing various funding levels based on past Council actions. Following discussion, City Council asked that the Commissioner of the Revenue develop a chart based on Council Member Helgeson's proposal to determine the amount of relief based on varying percentages of the poverty income level.

// The meeting was adjourned at 5:00 p.m.

Clerk of Council